What is claimed is:

1   1.   An electronic market for trading of securities comprises:

2   a client station for entering an order that is preferenced

3   to a particular quoting market participant;

4   a server system comprising:

5   a queue storing the order along with other orders; and

6   a process to determine when the order is next in line

7   to be removed from queue

8   wherein the server system executes the order against

9   displayed contra side interest or delivers the order for

10   executing based on how the contra side interest participates in

11   the market.

2.   The system of claim 1 wherein the server executes or
delivery the order for an amount up to or equal to both the
displayed quote/order and reserve size of a quoting market
participant to which the order is preferenced.

1   3.   The system of claim 1 wherein any unexecuted portion of the

2   order is returned to the entering market participant.

1   4.   The system of claim 1 wherein others of the orders in the

2   queue are nondirected orders that are orders for a security that

3   is not sent/routed to a particular Quoting Market Participant.

1   5.   The market of claim 2 wherein the nondirected orders are

2   executed in the server system against interest in the market

3   based on an execution priority.

1   6.   The system of claim 5 wherein the order preferenced to a
2   particular participant is an order that can be of two types,
3   having Price Restrictions that are executed or delivered for
4   execution only if the quoting market participant is at the BBO up
5   to the displayed and reserve size or not having such price
6   restrictions.

1   7.   The system of claim 1 wherein the order preferenced to a
2   particular participant is an order that can be of two types.

1   8.   The system of claim 7 wherein one of the types is
2   Preferenced Orders with Price Restrictions that are executed or
3   delivered for execution against the preferenced quoting market
4   participant to which the order is being directed only if the
5   quoting market participant is at the BBO up to the displayed and
6   reserve size.

1   9.   The system of claim 7 wherein one of the types is
2   preferenced orders with No Price Restrictions, with the
3   preferenced orders executing at the preferenced quoting market
4   participant's price, regardless of whether the quoting market
5   participant is at the best bid/best offer ("BBO").

1   10.   The system of claim 7 wherein both types of preferenced
2   orders are executable in the system.

1   11.   The system of claim 1 wherein the client system also allows
2   users to enter directed orders.

1   12.   The system of claim 5 wherein the server executes Directed

2   Orders by delivery of the order to a single market participant
3   that is designated by an identifier by the sender of the order
4   with the directed Orders being delivered for response rather than
5   an automatic execution against the receiving market participant's
6   quote.

1   13. The system of claim 12 wherein the directed orders do not
2   decrement a quote size.

1   14. The system of claim 1 wherein the client station also allows
2   users to enter nondirected orders, which are orders that are not
3   sent/routed to a particular Quoting Market Participant and
4   directed orders which are orders that are delivered to a directed
5   market participant.

1   15. The system of claim 1 wherein the server system further
2   receives nondirected orders and directed orders; and
3   the server executes the nondirected orders against interest
4   in the market based on an execution priority, delivers the
5   directed orders for a response by the directed market participant
6   and executes or delivers the preferenced orders in time sequence
7   against a quote/order of a market participant, and decrements the
8   size of a quote/order.

1   16. The system of claim 1 wherein the preferenced orders are
2   processed when they are at the top of the non-directed order
3   queue.

1   17. The system of claim 1 wherein the market participant
2   entering the preferenced order designates a market participant by

3   an identification symbol ("MMID"), which becomes the quoting

4   market participant against which the order is executed or

5   delivered.

1   18.   A method for trading of securities in an electronic market

2   comprises:

3   entering an order that is preferenced to a particular

4   quoting market participant;

5   storing the order along with other orders in a queue;

6   determining when the order is next in line to be executed

7   from queue; and

8   executing the order against displayed contra side interest

9   or delivering the order for execution based on how the contra

10   side interest participates in the market.

11   19.   The method of claim 18 wherein executing or delivering

12   comprises:

13   executing or delivering the order for an amount up to or

14   equal to both the displayed quote/order and reserve size of a

5   quoting market participant to which the order is preferenced.

1   20.   The method of claim 19 wherein others of the orders in the

2   queue are nondirected orders that are orders for a security that

3   is not sent/routed to a particular Quoting Market Participant.

1   21.   The market of claim 20 wherein nondirected orders are

2   executed against interest in the market based on an execution

3   priority.

1   22.   The method of claim 19 wherein the order that is preferenced

2   to a particular participant can be of two types, having Price

3   Restrictions that are executed or delivered for execution only if

4   the quoting market participant is at the BBO up to the displayed

5   and reserve size or not having such price restrictions.

1   23.   The method of claim 19 further comprising:

2   determining when the preferenced orders are at the top of

3   the queue.

24.   The method of claim 19 wherein entering the preferenced
order further comprises:

     designating the market participant by an identification
symbol ("MMID"), which becomes the quoting market participant
against which the order is executed or delivered.

25.   A computer program product residing on a computer readable
media for use in an electronic market for trading of securities
comprises instructions for causing a system to:

     store an incoming order order that is preferenced to a

5   particular quoting market participant, along with other orders in

6   a queue; and

7   determine when the order is next in line to be removed from

8   queue.

1   26.   The computer program product of claim 25 further comprising

2   instructions to cause the system to:

3   execute the order against displayed contra side interest or

4   deliver the order for executing based on how the contra side

5   interest participates in the market, when the order is next in

6   line to removed from the queue.

1   27.   The computer program product of claim 25 wherein the server

2   executes or delivery the order for an amount up to or equal to

3   both the displayed quote/order and reserve size of a quoting

4   market participant to which the order is preferenced.

1   28.   The computer program product of claim 25 wherein others of

2   the orders in the queue are nondirected orders that are orders

3   for a security that is not sent/routed to a particular Quoting

4   Market Participant.

    29.   The computer program product of claim 25 wherein the order

    preferenced to a particular participant is an order that can be

    of two types, having Price Restrictions that are executed or

    delivered for execution only if the quoting market participant is

    at the BBO up to the displayed and reserve size or not having

    such price restrictions.

1   30.   The computer program product of claim 25 wherein the order

2   preferenced to a particular participant is an order that can be

3   of two types.

1   31.   The computer program product of claim 25 wherein the server

2   executes Directed Orders by delivery of the order to a single

3   market participant that is designated by an identifier by the

4   sender of the order with the directed Orders being delivered for

5   response rather than an automatic execution against the receiving

6   market participant's quote.

1   32.   The computer program product of claim 25 wherein the

2   directed orders do not decrement a quote size.